REMARKS

Reconsideration of the application in view of the above amendments and following remarks is respectfully requested. Claims 1-19 have been cancelled without prejudice, and new claims 20-38 have been added. Therefore, claims 20-38 are pending in the application.

IDSs Mailed July 8, 2003 and Jan. 13, 2004

Applicant mailed a (1) Supplemental Information Disclosure Statement (IDS) to the USPTO on July 8, 2003, and (2) another Supplemental IDS to the USPTO on January 13, 2004. Applicants request that the Examiner consider the references listed in these two IDSs and return a copy of the signed Form PTO-1449s with the next paper for this application.

Claim Rejections under 35 U.S.C. § 102

The Examiner rejected claims 1-19 under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 6,154,738 to Call ("Call"). Applicants respectfully traverse these rejections.

Applicants have cancelled claims 1-19 without prejudice and added new claims 20-38. Applicants submit that new claims 20-38 clarify the distinctions between the present invention and Call.

In general, new claims 20-25, 29-34 and 38 relate to the steps of the flowchart shown in Applicants' FIG. 5, new claims 26, 27, 35 and 36 relate to the steps of the flowchart shown in Applicants' FIG. 19, and new claims 28 and 37 relate to the screen displays shown in Applicants' FIGS. 12-14.

One of the features of Applicants' inventions according to the new claims is that an order is received assuming that the number of the articles in stock is a number of the articles corresponding to a ratio allocated to the retail shop among the stock of the wholesale house. For example,

Applicants' new independent claim 20 recites "calculation means which calculates a virtual stock number, which is a total number obtained by totaling the number of the articles in stock of the retail shop and a number of the articles corresponding to a ratio allocated to the retail shop among the articles in stock of the wholesale house". New independent claims 21, 26, 27, 29, 30, 35, 36 and 38 also include language directed to such "ratio".

New claims 20-38 are fully supported by Applicants' specification. For example, Applicants' specification describes the "ratio" as follows:

> "Here, the ratio value represents the distribution factor (ratio) of the wholesale stock number to the retail shop 20. This value is set on the basis of the ratio of the selling number of pieces of each article at the retail shop side to the selling number of pieces of the article at the wholesale house side or the ratio of the sales of the retail shop side to the sales of the wholesale house side. For example, assuming that the retail and wholesale stock numbers on a certain article are equal to 100 and 500 respectively, and the ratio value is equal to 30%, the virtual stock number is equal to 250 (= 100 + 500 x 30%)."

(Applicants Specification, page 9, line 23 to page 10, line 7).

With the "ratio" feature, the present invention can reduce the loss of sales opportunities caused by running out of the stock, and at the same time, it can avoid irresponsibly accepting an order of articles when allocation of the articles in stock for the order are not guaranteed. Specifically, in conventional systems the number of articles in the retail shop stock and the number of articles in stock owned by other than the retail shop are regarded to be the total number of articles that can be sold. Assuming that the number of articles for sale is 30 for example, the number of the articles the retail shop can allocate its stock for the order

is 30, and an order for the articles is acceptable only up to 30 pieces. If an order of 35 pieces is accepted in this case, it is irresponsible order acceptance, as the stock cannot be allocated in full.

On the other hand, in the present invention the virtual stock number of the retail shop is obtained by totaling the stock number of the retail shop and the number of the articles corresponding to the ratio allocated to the retail shop. For example, when the total number of the retail shop stock number and the number of the articles allocated based on the ratio is 30, the stock allocation is guaranteed with respect to the 30 pieces for the retail shop. Since this is merely the virtual stock number, an order of even 35 pieces can be accepted as long as the wholesale stock is still available. However, in this case, the excess 5 pieces are to be covered by the stock articles to be allocated to other retail shops, and therefore it indicates a possibility that the 5 pieces are out of stock.

In rejecting Applicants' claims 1-19 the Examiner pointed to Call's inventory control system 422. Specifically, some of the language in Call that the Examiner appears to have relied on is as follows:

> "Each time any sale is made by any point of sale register 421 in the physical retail store or by the web register 422, the quantity on hand value associated with the sold product's code is altered. Similarly, when stock is replenished, the inventory control system 422 reflects the increased quantity on hand. The quantity on hand information passed as message information at 422 permits the shared sales server to maintain a database for each retailer served which indicates the products available for sale and the quantity on hand. When the quantity on hand equals or exceeds the quantity ordered, the on line order is accepted and passed at 434 from the shared server to the web register module 420 which posts the sale in the same way that a point of sale

> register posts a sale."

(Call, col. 27, line 59 to col. 28, line 5).

> "Because the shared server 430 maintains a database for that retailer containing the quantity on hand values for each product offered by that server, the customer can be immediately informed if the shipment cannot be made whereas, if the product is available at the retailer's store or warehouse, the online customer's order can be confirmed for prompt delivery."

(Call, col. 29, lines 14-21).

From this and similar language in Call the Examiner concluded that "the customer is aware of the quantity in stock from the retailer as well as the quantity in the warehouse." (Office Action mailed 12/11/2003, page 4, lines 11-12).

However, the idea of Applicants' claimed "virtual stock" using a "ratio" is not disclosed in Call. Specifically, the portions of Call relied on by the Examiner do not disclose the calculation of "a virtual stock number, which is a total number obtained by totaling the number of the articles in stock of the retail shop and a number of the articles corresponding to a ratio allocated to the retail shop among the articles in stock of the wholesale house", as is recited in Applicants' new independent claim 20. Therefore, Applicants submit that new claim 20 is allowable over Call. Applicants also submit that new independent claims 21, 26, 27, 29, 30, 35, 36 and 38 are allowable over Call for similar reasons. Finally, Applicants submit that claims 22-25, 28, 31-34 and 37 are also allowable over Call for at least these same reasons due to their dependency on their respective independent claims.

Fees Believed to be Due

When this application was filed a fee was paid for a total of 20 claims with 10 independent claims, and the multiple dependent claim fee was paid. The above amendment has resulted in there now being a total of 31 claims (17 claims + 2 multiple dependent claims each dependent on 7 claims) with 9 independent claims. Thus, a fee is now due for 11 extra total claims. A Fee Transmittal is included herewith to cover this fee.

CONCLUSION

In view of the above, Applicant submits that the pending claims are in condition for allowance. Should there remain any outstanding issues that require adverse action, it is respectfully requested that the Examiner telephone Richard E. Wawrzyniak at (858) 552-1311 so that such issues may be resolved as expeditiously as possible.

Date: 3/10/04

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